Historical Economic Events and Principles

Basic Economics · Practice Test · 8 Questions

1. Which economic policy, enacted in the United States under President Franklin D. Roosevelt, aimed to alleviate the Great Depression through massive public works programs, financial reforms, and social welfare legislation?

A) The Great Society
B) The New Deal
C) Reaganomics
D) The Marshall Plan

2. The Bretton Woods Agreement of 1944 established a new international monetary system. Which currency served as the primary reserve currency, pegged to gold?

A) The British Pound Sterling
B) The Japanese Yen
C) The United States Dollar
D) The Euro

3. The 'Tulip Mania' in 17th-century Netherlands is a classic example of what economic phenomenon?

A) Deflationary Spiral
B) Rational Expectations Theory
C) Asset Bubble and Speculative Frenzy
D) Stagflation

4. What was the primary economic consequence of the Opium Wars for China?

A) Increased industrialization due to demand for war materials
B) Forced opening of treaty ports and significant trade imbalances favoring Britain
C) Rapid development of a domestic banking system
D) Establishment of a protectionist trade policy

5. The Meiji Restoration in Japan (1868) led to a period of rapid industrialization and modernization. What economic philosophy heavily influenced its approach to economic development?

A) Mercantilism
B) Laissez-faire Capitalism
C) State Capitalism with elements of protectionism
D) Barter System

6. The Cantillon Effect, named after Richard Cantillon, describes how changes in the money supply do not affect all prices equally. Which historical period saw prominent discussions and observations related to this effect, particularly concerning the influx of silver from the New World?

A) The Industrial Revolution
B) The French Revolution
C) The Price Revolution of the 16th and 17th centuries
D) The Roaring Twenties

7. The collapse of the Soviet Union led to widespread economic transition. Which term best describes the economic policies implemented in Russia during the 1990s, characterized by rapid privatization and market liberalization?

A) Perestroika
B) Glasnost
C) Shock Therapy
D) Collectivization

8. The Smoot-Hawley Tariff Act of 1930 in the United States significantly raised tariffs on imported goods. What was a major, verifiable negative outcome of this legislation during the Great Depression?

A) It stimulated domestic manufacturing and led to rapid economic recovery.
B) It prompted retaliatory tariffs from other countries, severely reducing international trade.
C) It led to a decrease in the national debt due to increased government revenue.
D) It caused a significant increase in foreign investment in the US.